

## Message Text

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63

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 STR-08

TRSE-00 LAB-06 SIL-01 OMB-01 AGR-20 SS-15 L-03 NSC-10

PA-03 PRS-01 USIA-12 EURE-00 ( ADP ) W

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P R 271833 Z APR 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 9625

USMISSION EC BRUSSELS PRIORITY UNN

AMEMBASSY LUXEMBOURG PRIORITY

INFO AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY ROME

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY DUBLIN

AMEMBASSY COPENHAGEN

USMISSION GENEVA

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E. O. 11652: N/ A

TAGS: EAGR, EEC, FR

SUBJECT: CAP FOR SOYBEANS

REF: STATE 78578

1. SINCE DE MOREL, DIRECTOR OF DREE, HAS BEEN TIED UP FOR TWO DAYS WITH CANADIAN TRADE DELEGATION, HE DESIGNATED COLLIN, DIRECTOR OF MULTILATERAL AFFAIRS IN DREE, TO RECEIVE ECONOMIN IN ORDER TO HEAR U. S. VIEWS ON FRENCH AGRICULTURAL MINISTER'S REQUEST FOR CAP FOR SOYBEANS AND HIS CALLS FOR TAX ON VEGETABLE OIL AND/ OR MARGARINE. ECONOMIN CALLED ON LIMITED OFFICIAL USE

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COLLIN THIS AFTERNOON AND MADE POINTS OUTLINED REFTEL.

2. COLLIN REPLIED THAT SO FAR AS HE WAS AWARE, CHIRAC HAD ONLY PROPOSED DEFICIENCY PAYMENTS FOR PRODUCERS OF SOYBEANS SIMILAR TO THOSE IN EFFECT FOR RAPE SEED AND SUNFLOWER. HE HAD NOT PROPOSED APPLICATION OF VARIABLE LEVY TO SOYBEANS AND DID NOT INTEND TO. THUS, THERE WAS NO QUESTION OF IMPAIRMENT OF EC' S ZERO DUTY BINDING ON SOYBEANS AND CONSEQUENTLY NO REASON FOR U. S. TO BE CONCERNED. ECONMIN REPLIED THAT, WHILE THIS MIGHT BE TECHNICALLY CORRECT, IT WAS FIRST STEP IN A PROCESS WHOSE OUTCOME COULD NOT BE PREDICTED. THE CHIRAC PROPOSALS WERE FRAUGHT WITH SERIOUS POLITICAL CONSEQUENCES. THEY WOULD INEVITABLY BE VIEWED IN THE U. S. AS EVIDENCE THAT THE FRENCH WERE SEEKING TO BRING BEHIND THE PROTECTIVE WALL OF THE CAP THE LAST MAJOR AREA OF AGRICULTURAL PRODUCTION WHERE FREE TRADE WAS STILL POSSIBLE. IT WOULD BE PARTICULARLY UNFORTUNATE FOR SUCH ACTIONS TO BE TAKEN AT A TIME WHEN PRESIDENT' S TRADE BILL WAS BEFORE CONGRESS. FOR EXAMPLE, SENATOR PERCY HAD THAT VERY MORNING EXPRESSED TO EMBASSY COUNTRY TEAM MEETING THE IMPORTANCE OF SOYBEAN EXPORTS IN THE CONOMY OF ILLINOIS. HE SAID THAT FIRM EVIDENCE THAT THE EC WAS CONSIDERING ADOPTION OF MEASURES WHICH COULD HAVE ADVERSE EFFECT ON SOYBEAN EXPORTS TO EC WOULD CAUSE HIM TO RECONSIDER HIS SUPPORT FOR PRESIDENT' S TRADE BILL IN FAVOR OF MUCH TOUGHER AND MORE PROTECTIONIST MEASURES.

3. ECONMIN CONCLUDED BY SAYING THAT HE WANTED TO ENSURE THAT THE GOF WAS FULLY AWARE OF USG' S VERY SERIOUS CONCERN ABOUT CHIRAC' S PROPOSALS AND ASKED COLLIN TO BRING THESE VIEWS TO CHIRAC' S ATTENTION BEFORE THE APRIL 28 MEETING OF THE EC COUNCIL OF AGRICULTURAL MINISTERS. COLLIN, WHO SEEMED IMPRESSED BY THE FORCE OF THE POLITICAL ARGUMENT, ASSURED ECONMIN THAT OUR VIEWS WOULD BE CONVEYED TO CHIRAC THIS EVENING.

4. ECONMIN MADE SIMILAR REPRESENTATIONS TO BRUNET, DIRECTOR OF ECONOMIC AFFAIRS, MFA, WHO ALSO ASSURED HIM OUR VIEWS WOULD BE CONVEYED TO CHIRAC.

DECON 5/1/74.

IRWIN

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Subject:** CAP FOR SOYBEANS  
**TAGS:** EAGR, FR, EEC  
**To:** BONN  
BRUSSELS  
EC BRUSSELS  
EUR  
LONDON  
LUXEMBOURG  
ROME

SECSTATE WASHDC  
THE HAGUE

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